

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 4 - 0 0 6

2. STATE:

Vermont

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

7/1/04

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447 Subpart C

7. FEDERAL BUDGET IMPACT:

a. FFY 04 \$ 225,000

b. FFY 05 \$ 300,000

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Att 4.19A page 1b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Att 4.19A page 1b

(03-09)

10. SUBJECT OF AMENDMENT:

SFY 05 Inflation Factor for Inpatient Hospital Reimbursement

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Charles P. Smith

14. TITLE:

Secretary, Agency of Human Services

15. DATE SUBMITTED:

9/29/04

16. RETURN TO:

Nicole Brother
Office of Vermont Health Access
103 South Main Street
Waterbury VT 05671-1201

17. DATE RECEIVED:

FOR REGIONAL OFFICE USE ONLY

18. DATE APPROVED:

10-25-04

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JUL - 1 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

Bill Rusk for AS

21. TYPED NAME:

William LASOWSKI

22. TITLE:

Acting Deputy Director, CMSO

23. REMARKS:

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
INPATIENT HOSPITAL CARE (CONTINUED)**

Accommodation Types

Reimbursement rates have been established for four accommodation types: medical/surgical, nursery, intensive care unit, and other intensive care unit. A fifth accommodation type, psychiatric care, has been established for Vermont hospitals specifically designated by the Commissioner of Developmental and Mental Health Services.

Rate Change

Effective July 1, 2003, the base rate for each accommodation type in the non-teaching-hospital-with-80-beds-or-more peer group shall be increased by 5%.

Add-on Payment

Effective July 1, 2003, all Vermont hospitals except the critical access peer group shall be granted an add-on payment amount specific to each accommodation type as follows:

Service	% Rate Increase
M/S	47.0%
Nursery	36.0%
ICU	30.0%
ICU-Other	80.0%
Psych	24.0%

These increases will not affect or be included in the base rate when calculating future inflation increases.

Inflation Adjustments

In future years, the fiscal year '04 base rates may be as follows:

1, Effective 7/1/04 all '04 base rates will be increased by 1.444%.

(Reserved for future use.)

(Continued)

TN # 04-06
Supersedes
TN # 03-09

Effective Date: 07/01/04
Approval Date: OCT 25 2004